

# District of Columbia Retirement Board

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Description	FY 2003 Actual	FY 2004 Approved	FY 2005 Proposed	% Change from FY 2004
Operating Budget	\$7,446,274	\$13,894,654	\$15,277,000	9.9
FTEs	12.81	14.0	14.0	0.0

The mission of the District of Columbia Retirement Board is to manage the assets of the Teachers' Retirement Fund and of the Police Officers' and Fire Fighters' Retirement Fund on an actuarially sound basis.

The Retirement Board is an independent agency which has "exclusive authority and discretion to manage and control" the District's pension plan funds for police officers, firefighters and teachers (D.C. Code section 1-711).

The board consists of twelve voting Trustees: three appointed by the mayor, three by the District Council, and six elected by the employee participant groups. Additionally, the District's Chief Financial Officer serves as a non-voting, ex office trustee.

The board has six standing committees: Benefits, Emerging Enterprise, Fiduciary, Investment, Legislative, and Operations. The board hires an executive director and support staff to assist in carrying out its mission.

The board plans to fulfill its mission by achieving the following strategic result goal:

- Achieve an actual long-term investment rate of return for the Teachers' Retirement Fund

and for the Police Officers' and Firefighters' Retirement Fund in excess of the actuarially assumed investment rate of return.

## Gross Funds

The proposed gross funds budget is \$15,277,000, representing a change of \$1,382,346, or 9.9 percent over the FY 2004 approved budget of \$13,894,654. There are 14.0 total FTEs for the agency, no change from the FY 2004 approved budget.

## General Fund

**Special Purpose Revenue Funds.** The Retirement Board is funded entirely through restricted use Special Purpose Revenue derived from the investment earnings of the District's retirement funds. Under District Code section 1-711(f)(3), the Mayor and the Council may establish the amount of funds that will be allocated to the board for administrative expenses, but may not specify the purposes for which such

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## Funding by Source

Tables DY0-1 and 2 show the sources of funding and FTE by fund type for the District of Columbia Retirement Board.

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Table DY0-1

### FY 2005 Proposed Operating Budget, by Revenue Type

(dollars in thousands)

Appropriated Fund	Actual FY 2002	Actual FY 2003	Approved FY 2004	Proposed FY 2005	Change from FY 2004	Percent Change
Special Purpose Revenue Fund	7,168	7,446	13,895	15,277	1,382	9.9
<b>Total for General Fund</b>	<b>7,168</b>	<b>7,446</b>	<b>13,895</b>	<b>15,277</b>	<b>1,382</b>	<b>9.9</b>
<b>Gross Funds</b>	<b>7,168</b>	<b>7,446</b>	<b>13,895</b>	<b>15,277</b>	<b>1,382</b>	<b>9.9</b>

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Table DY0-2

### FY 2005 Full-Time Equivalent Employment Levels

Appropriated Fund	Actual FY 2002	Actual FY 2003	Approved FY 2004	Proposed FY 2005	Change from FY 2004	Percent Change
<b>General Fund</b>						
Special Purpose Revenue Fund	10	13	14	14	0	0.0
<b>Total for General Fund</b>	<b>10</b>	<b>13</b>	<b>14</b>	<b>14</b>	<b>0</b>	<b>0.0</b>
<b>Total Proposed FTEs</b>	<b>10</b>	<b>13</b>	<b>14</b>	<b>14</b>	<b>0</b>	<b>0.0</b>

## Expenditures by Comptroller Source Group

Table DY0- 3 shows the FY 2005 proposed budget for the agency at the Comptroller Source Group level (Object Class level)

Table DY0-3

### FY 2005 Proposed Operating Budget, by Comptroller Source Group

(dollars in thousands)

Comptroller Source Group	Actual FY 2002	Actual FY 2003	Approved FY 2004	Proposed FY 2005	Change from FY 2004	Percent Change
11 Regular Pay - Cont Full Time	846	946	1,163	1,122	-41	-3.6
12 Regular Pay - Other	65	58	150	160	10	6.7
13 Additional Gross Pay	0	42	20	34	14	70.5
14 Fringe Benefits - Curr Personnel	121	135	186	182	-4	-2.2
15 Overtime Pay	0	1	57	56	-1	-2.5
<b>Subtotal Personal Services (PS)</b>	<b>1,032</b>	<b>1,181</b>	<b>1,577</b>	<b>1,554</b>	<b>-23</b>	<b>-1.4</b>
20 Supplies and Materials	785	105	145	160	15	10.2
31 Telephone, Telegraph, Telegram, Etc	5	6	15	20	5	31.6
32 Rentals - Land And Structures	211	216	233	226	-7	-3.2
34 Security Services	0	0	0	2	2	100.0
40 Other Services And Charges	5,820	5,874	11,873	13,118	1,245	10.5
70 Equipment & Equipment Rental	15	64	51	197	146	283.3
Subtotal Nonpersonal Services (NPS)	6,136	6,265	12,318	13,723	1,405	11.4
<b>Total Proposed Operating Budget</b>	<b>7,168</b>	<b>7,446</b>	<b>13,895</b>	<b>15,277</b>	<b>1,382</b>	<b>9.9</b>

funds may be expended or the amounts that may be expended for the various activities of the board. The proposed budget is \$15,277,000, representing a change of 9.9 percent over the approved FY 2004 budget of \$13,894,654. There are 14.0 FTEs for the agency, no change from the FY 2004 approved budget.

Changes from the FY 2004 approved budget are:

- A net decrease of \$22,793 in personal services to align the budget with projected salary and benefit costs. The proposed personal services budget provides full funding for the board's staff as well as funds for a proposed increase in trustee compensation, which would require authorization by the District Council.
- A net increase of \$1,405,139 in nonpersonal services, reflecting an increase of \$160,449 in

supplies and equipment to meet projected needs and a net decrease of \$640 in agency managed fixed costs. This change also includes an increase of \$1,245,330 in other services and charges, which is primarily due to increased investment management contract costs resulting from the increased asset value of the retirement plans.

## Programs

### Fund Asset Management

The board fulfills its **Fund Asset Management** responsibility by strict adherence to statutory requirements including:

- Managing and controlling the assets of the retirement funds;
- Ensuring compliance with reporting and disclosure requirements; and

- Establishing rules and policies that govern its internal operations.

Information on the financing of the District's retirement plans can be obtained in the D.C. Code, Division I, Title I, Chapter 9, Subchapter IV, Financing of Retirement Benefits (1-907.02).

## Agency Goals and Performance Measures

**Goal 1: Achieve long-term rate of return in excess of the actuarially assumed rate of return.**

*Citywide Strategic Priority Area(s):* Making Government Work

*Manager(s):* Betty Ann Kane, Executive Director

*Supervisor(s):* District of Columbia Retirement Board of Trustees

**Measure 1.1: Performance of the actuarial rate versus the District's 10 year actual rate of return percentage**

	Fiscal Year				
	2002	2003	2004	2005	2006
Target	7.25	7.25	7.25	7.25	7.25
Actual	8.2	8.3	-	-	-